



# NEWS RELEASE

UNITED STATES DEPARTMENT OF AGRICULTURE • FARM SERVICE AGENCY

USDA  
Farm Service Agency

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## UPLAND COTTON ANNOUNCEMENT

**August 25, 2011**

The Department of Agriculture's Commodity Credit Corporation announced the adjusted world price (AWP) for Strict Low Middling (SLM) 1-1/16 inch (leaf grade 4, micronaire 3.5-3.6 and 4.3-4.9, strength 25.5-29.4 grams per tex, length uniformity of 79.5-82.4 percent) upland cotton (base quality), adjusted to U.S. quality and location, the fine count adjustment (FCA), the coarse count adjustment (CCA), and the loan deficiency payment rate that will be in effect from 12:01 a.m., Eastern Time, Friday, August 26, 2011, through midnight, Eastern Time, Thursday, September 1, 2011. The next announcement of the AWP, FCA, CCA, and LDP rate for upland cotton will be on Thursday, September 1, 2011, at 4:00 p.m., Eastern Time.

	<u>Cents/lb.</u>
<b>Adjusted World Price (AWP)</b> .....	<b>91.96</b>
<b>Fine Count Adjustment (FCA) 2010 Crop</b> .....	<b>0.34</b>
<b>Fine Count Adjustment (FCA) 2011 Crop</b> .....	<b>0.39</b>
<b>Coarse Count Adjustment (CCA)</b> .....	<b>0.00</b>
<b>Loan Deficiency Payment Rate</b> .....	<b>0.00</b>

This week's AWP, FCA, and CCA are determined as follows:

FE Price .....	112.52
Adjustments:	
Avg. costs to market .....	-17.41
SLM 1-1/16 inch cotton .....	- 3.15
Sum of Adjustments .....	-20.56
<b>ADJUSTED WORLD PRICE</b> .....	<b>91.96</b>

	<b>2010</b>	<b>2011</b>
Loan Schedule Premium for SM 1-1/8" Cotton.....	1.65	1.70
Market Premium for SM 1-1/8" Cotton:		
FE Fine Count Price.....	113.83	
FE Price.....	-112.52	
Less Market Premium (cannot be less than zero).....	1.31	1.31
<b>FINE COUNT ADJUSTMENT (cannot be less than zero)</b>	<b>0.34</b>	<b>0.39</b>

FE Price .....	112.52
FE Coarse Count Price .....	- 119.23
Adjustment to SLM 1-1/32 inch cotton .....	- 6.71

**COARSE COUNT ADJUSTMENT (cannot be less than zero)..... 0.00**

The Food, Conservation, and Energy Act of 2008 provides that the AWP may be further adjusted if the Secretary determines adjustment is necessary to 1) minimize potential loan forfeitures, 2) minimize accumulation of Government stocks, 3) ensure free and competitive marketing of upland cotton, both domestically and internationally, and 4) ensure an appropriate transition between current-crop and forward-crop price quotations. No adjustment has been made this week.

Because the AWP for the period exceeds 52.00 cents per pound, which is the base quality loan rate, the loan repayment rate during this period is equal to the loan rate, adjusted for the specific quality plus applicable interest and storage charges.